

# Fiscal Note

*Fiscal Services Division*



---

**HF 541** – Model Rural Hub and Spoke Recycling Program (LSB2564HV)  
Analyst: Debra Kozel (Phone: (515) 281-6767) ([deb.kozel@legis.iowa.gov](mailto:deb.kozel@legis.iowa.gov))  
Fiscal Note Version – New

---

## **Description**

**House File 541** allocates up to \$250,000 to the Department of Natural Resources (DNR) to research various recycling programs and to develop a Hub and Spoke Recycling Program for Iowa. The Program will create recycling hubs in larger cities and encourage residents in smaller communities or spokes, to take recyclable goods to the hub. Funding will be allocated from the Solid Waste Account of the Groundwater Protection Fund and is limited to FY 2016.

## **Background**

The Hub and Spoke Recycling Program has been implemented in other states:

- **Colorado** has a hub and spoke recycling model that has centralized processing centers or hubs in larger cities where the materials are sorted and sold. Surrounding communities bring their recyclables to the hub.
- **New Mexico** began a hub and spoke program in 2010 with federal grant money from the Department of Energy. The hubs invested in capital equipment and infrastructure necessary to process and store recycled materials that can be sold to remanufacturing markets. The spoke communities invested in collection trailers or containers that can be easily transported to the recycling hub.
- **Tennessee** is in the beginning stages of a hub and spoke program. Currently the Tennessee Division of Solid Waste Management is asking for a proposal to establish facilities for processing and collecting recyclable materials from multiple local governments.

## **Fiscal Impact**

The estimated fiscal impact is a one-time allocation of up to \$250,000 in FY 2016 from the Solid Waste Account of the Groundwater Protection Fund.

## **Source**

Department of Natural Resources

/s/ Holly M. Lyons

April 2, 2015

---

The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

---